

Information Packet
Project-Based HUD-VASH Vouchers

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Request for Proposals
Project-Based HUD-Veteran Affairs Supportive Housing Vouchers

The Maryland Department of Housing and Community Development (DHCD) seeks proposals from qualified applicants to receive an allocation of Project-Based HUD-Veterans Affairs Supportive Housing (VASH) Vouchers. The purpose of this allocation is to enable homeless veterans to access affordable housing with an array of supportive services. All proposals will be evaluated on scoring criteria developed by DHCD, and one proposal will be selected.

To obtain an Application, including the scoring criteria and other information regarding the application process, please contact Caty Waterman at the contact information provided below. The Application is also available on the DHCD website: www.dhcd.maryland.gov.

All applications for Project-Based HUD-VASH are due no later than **2:00 p.m. on May 28, 2021**.

Caty.Waterman1@Maryland.gov; Maryland Department of Housing and Community Development, Multifamily Housing Programs, 7800 Harkins Road, Lanham, Maryland 20706; 301-429-7776 or 1-800 543-4505.

Program Description

Project-Based HUD-VASH Vouchers

Overview

As a qualifying PHA, DHCD requests owners/developers to apply for Project-Based Vouchers (PBVs). DHCD will select the most qualified of those proposals based on the scoring criteria outlined below.

Proposals from interested parties are due into DHCD by May 28, 2021, at 2:00 p.m. At all times, the selected proposal is subject to the requirements of 24 CFR 983, implementation of the HUD-VASH Program (Operating Requirements) published in the *Federal Register* on March 23, 2012, and HUD Notices PIH 2010-23 and PIH 2011-50.

Maximum Number of Project-Based Vouchers Awarded

50 Project-Based vouchers to one project.

Due Date

Proposals must be received by DHCD no later than **2:00 p.m. on May 28, 2021**. Proposals will be date stamped to verify receipt by the submission deadline. Proposals must be submitted to the DHCD Mailroom at:

Maryland Department of Housing and Community Development
Cathy Waterman, Deputy Director, Multifamily Initiatives
7800 Harkins Road
Lanham, Maryland 20706

The Application, including the scoring criteria and other information regarding the application process, is available on the DHCD website:
<https://dhcd.maryland.gov/HousingDevelopment/Pages/MFLibrary.aspx>

Selection Process

DHCD will employ the following process to determine which proposal will be selected.

- DHCD staff will review each proposal to ensure that it is complete. Incomplete submissions will be returned and will not be processed further by DHCD. Complete proposals will be submitted for scoring.
- All complete proposals will be scored by a scoring committee convened by DHCD. DHCD may invite representatives from the Veterans Administration and Statewide Homeless Council to serve on the scoring committee.
- All proposals will be ranked according to their score. The highest scored proposal will be recommended and submitted to the PHA Director for approval.

- The selection of any PBV proposal is conditional and subject to approval by HUD.

Eligibility Requirements

Proposed projects must be in Maryland in an area covered by a VA Medical Center (VAMC) or Community Based Outpatient Clinic (CBOC) in partnership with DHCD, which includes: VA MD Health Care Systems/Pocomoke CBOC serving the Eastern Shore and VA MD Health Care System/Perry Point Campus. Project must be located within a 60-minute travel commute of a VAMC or CBOC. Consideration will be given to other areas outside of the 60-minute commute if the VAMC supports the project and will provide the case management services.

DHCD will accept proposals for newly constructed, rehabilitated, or existing housing. DHCD may attach PBV assistance for units in existing housing or for newly constructed or rehabilitated housing developed under an agreement to enter into a housing assistance payments contract that was executed before the start of construction. A housing unit is considered an existing unit for the PBV program's purposes if, at the time of notice of DHCD selection, the unit substantially complies with Housing Quality Standards. Units for which new construction or rehabilitation was started in accordance with PBV program requirements do not qualify as existing housing.

To be eligible for a project-based vouchers award from DHCD, the following criteria must be met:

- Projects must be permanent housing. Emergency, temporary, or transitional housing are not eligible for project-based rental assistance.
- If it involves rehabilitation or an existing rental property, the project must meet HUD HQS before a Housing Assistance Contract is executed.
- The units must be either independent units or non-independent living units: Single Room Occupancy (SRO) units as defined by the HUD per 24 CFR §982.4.
- Tenants must have a lease with a minimum term of one year.
- The rents charged must meet the DHCD rent reasonableness test.
- Tenants must meet HUD/VASH eligibility criteria.
- Tenants must be at least 18 years old or legally emancipated.
- Tenants must be homeless veterans referred by the VAMC or CBOC using the "*Housing First*"¹ approach.
- HUD prohibits the use of project-based Section 8 Housing Choice Vouchers for the following activities: shared housing; medical, mental, or similar public/private institutions; nursing homes or facilities providing continuous care; psychiatric,

¹ *Housing First* is an approach where homeless persons, usually chronically homeless or especially vulnerable homeless individuals and families, are provided immediate access to housing and then offered the supportive services that may be needed to foster long-term stability and prevent a return to homelessness. This approach removes unnecessary barriers and assumes that supportive services are more effective in addressing needs when the individual or family is housed and the daily stress of being homeless is taken out of the equation. Key components of this model include a simple application process, a harm reduction approach, and no conditions of tenancy beyond those included in the lease. *Housing First* specifically does not require sobriety or testing for substance abuse to obtain or sustain tenancy and thus must not be required in the lease. More information on *Housing First* is available at: http://usich.gov/usich_resources/fact_sheets/the_housing_first_checklist_a_practical_tool_for_assessing_housing_first_in

medical, or nursing facilities; board and care or Intermediate Care Facilities; manufactured housing; or coop housing.

For projects with one to four units, DHCD may allocate project-based assistance for each unit in the project. For projects with five or more units, DHCD may allocate assistance for as many as 25% of the project units. For projects with five or more units and are exclusively rented to either elderly tenants, veterans, or families in which a family member is disabled, DHCD may allocate assistance for greater than 25% of the project's units.

Projects receiving project-based Vouchers will require an environmental review. A PHA, an owner, or its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property, or commit or expend program or local funds for PBV activities until an environmental review is completed.

Environmental Review

Projects receiving project-based rental assistance from DHCD must undergo an environmental review under HUD's environmental review rules at 24 CFR Part 58. HUD's environmental review rules prohibit an applicant applying for project-based rental assistance from DHCD from taking specific actions from the date DHCD receives the Application until completing the environmental review process for the Applicant's project. Completing the environmental review process means that DHCD has completed the required environmental review of the project and HUD has approved the release of the project-based rental assistance funds for the project.

Housing Registry

Applicants will be required to provide all information required by DHCD and SocialServe to list their properties on DHCD's Housing Registry Website: www.MDHousingsearch.org

Fair Housing and Equal Opportunity

The Applicant shall comply with applicable Federal and State laws, executive orders, and regulations pertaining to fair housing and equal housing opportunity, including without limitation, Title VI of the Civil Rights Act of 1964, as amended (42 USC § 2000d et seq., 24 CFR Part 1), The Fair Housing Act, as amended (42 USC § 3601 et seq., 24 CFR Part 100-115), Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259), Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq., 24 CFR Part 146). Applicants are cautioned to be aware of the potential applicability of provisions of the Americans with Disabilities Act, federal Fair Housing legislation, and Section 504 of the Rehabilitation Act of 1973 to any housing proposed for funding. Procedures for the selection of residents, conditions of residency, and rules regarding termination may fall within the scope of this legislation. Providers must make reasonable accommodations of rules, policies, and procedures and may be required to allow reasonable structural modifications of buildings to be made, if necessary, to allow an individual with disabilities equal access to housing.

DHCD Non-Discrimination Notice

DHCD does not discriminate based on race, color, religion, sex, sexual orientation, national origin, ancestry, age, physical or mental disability, familial status in the admission or access to or treatment or employment in its programs activities. DHCD will provide appropriate communication auxiliary aids and services upon sufficient notice. DHCD will also provide this document in alternative formats upon sufficient notice. DHCD has designated the following person responsible for coordinating compliance with applicable Federal and State nondiscrimination requirements and addressing grievances: Gordon Outlaw, Director, Office of Fair Practices, Gordon.Outlaw@Maryland.Gov, 301-429-7416.

Right to Cancel

DHCD reserves the right to reject or cease processing any requests for PBV assistance before the execution of an AHAP or HAP contract.

PBV Requirements

All projects must be selected (see Section C), developed, and operated under PBV program requirements found at 24 CFR part 983, implementation of the HUD-VASH Program (Operating Requirements) published in the *Federal Register* on March 23, 2012, the requirements of Notice PIH 2011-50 (*Project-basing of HUD-VASH Vouchers*), and Notice PIH 2011-54 (*Guidance on the PBV Program*).

Submission Requirements

- Completed Application using the format attached.

Additional Terms and Conditions

- DHCD expressly reserves the right to modify or withdraw this Request at any time, whether before or after any responses have been submitted or received.
- DHCD reserves the right to adjust the timetable for this Request as deemed necessary.
- DHCD reserves the right to reject any or all respondents and not award a contract pursuant to this Request or to terminate the Request process at any time if deemed to be in its best interest.
- If the respondent selected does not enter into the required contract described in this Request, DHCD reserves the right to reject the respondent and offer a contract to another respondent.
- In no event will any obligations of any kind be enforceable against DHCD unless and until a written contract is entered into.
- DHCD reserves the right to waive informalities and minor irregularities in proposals received.
- DHCD reserves the right to reject and not consider any or all respondents who do not meet this Request's requirements, including but not limited to incomplete responses and/or responses offering alternate or non-requested services.

- Each respondent agrees to bear all costs and expenses of its response. There will be no reimbursement for any costs and expenses relating to preparing responses submitted or for any costs or expenses incurred during any negotiations.

SCORING CRITERIA

Project-Based HUD-VASH Vouchers

The scoring committee will be using the following criteria to score each eligible proposal. A maximum of 100 points may be awarded.

I. Project Readiness (25 Points)

The proposal must include a project timeline indicating major milestones, including when project units will be ready for occupancy:

- **(25 points):** Existing housing ready for occupancy within 60 days of award selection date for PBVs under this notice.
- **(15 points):** Newly constructed or rehabilitated units that will execute an agreement to enter into housing assistance payments (AHAP) and start construction within 24 months of the award announcement. Applicants seeking MBP and RHW financing and associated non-competitive LIHTC, such projects must achieve a minimum total score of at least thirty (30) points within the Development Team Experience category in Section 4.1.1, at least twelve (12) points within the Developer Financial Capacity category outlined in Section 4.1.3, and at least ten (10) points within the Development Quality Standards category in Section 4.6 of the Multifamily Rental Financing Program Guide. The Applicant must provide a project timeline including these major milestones: (1) execution of Agreement to Enter into a Housing Assistance Payments contract (AHAP); (2) construction start date; and (3) execution of PBV HAP contract. The Sponsor must demonstrate the project is financially feasible in accordance with DHCD underwriting standards and generally accepted industry practices, and as part of the Application Submission Package, sponsors must complete the CDA Form 202.

II. Participation in the Enhanced Use Lease (EUL) Program (25 Points)

An additional 25 points will be awarded if the project is being developed in coordination with the EUL program.

- **(25 points):** The project is being developed in coordination with the EUL program.
- **(0 points):** The project is not associated with the EUL Program.

III. Housing First (15 points)

The project must comply with *Housing First*.

- **(15 points)** Occupancy policies or statements of purpose specifically do not require being clean and sober upon admission to maintain their housing. Submitted policies will also demonstrate how negative exits will be avoided, how a respectful, warm, and compassionate environment for Veterans to live in will be created, and how a recovery-oriented climate will be created.
- **(0 points)** Submitted documentation does not reflect a commitment to *Housing First*, as outlined in the 10 point category

IV. Financial Feasibility (20 points)

The Sponsor must demonstrate the project is financially feasible in accordance with DHCD underwriting standards and generally accepted industry practices, and as part of the Application Submission Package, sponsors must complete the CDA Form 202.

- **(20 points):** Existing housing ready for occupancy within 60 days of award selection date for PBVs under this notice.
- **(20 points):** Newly constructed or rehabilitated units with a completed CDA Form 202 which reflects all aspects of the project, including estimated development and operating budgets and pro forma.
- **(0 points):** The project does not include evidence of existing housing ready for occupancy or the completed CDA form 202 described above.

V. Relative Need (15 points)

The proposal must include a letter from the VA Medical Center indicating a need for the number of vouchers requested

- **15 points:** Support for the number of vouchers requested
- **0 points:** The project does not include evidence that the number of vouchers requested is needed.

APPLICATION

PROJECT BASED HUD-VETERANS AFFAIRS SUPPORTIVE HOUSING VOUCHERS

Please provide the following project information in the order presented:

I. The number of PBVs requested, which cannot exceed 50.

II. A description of the proposed project

Including:

- A. Name and address.
- B. Location by census tract.
- C. Poverty rate of the census tract.
- D. Total number of buildings.
- E. Total number of units by bedroom in each building and proposed rent and utilities.
- F. Number and bedroom sizes of requested HUD-VASH units in each building.
- G. Community space and office space that is on the property and available for use by VASH Veterans, VA services, and other supportive services.
- H. Any HUD-VASH related supportive services on or near the premises.
- I. Accessibility to VAMC or CBOC, transportation, and social and medical services.
- J. Tenant selection criteria for VASH units.
- K. Target population, if any, of any non HUD-VASH units including tenant selection criteria.

III. Project Readiness

- A. Include a project timeline indicating major milestones including when project units will be ready for occupancy. Please indicate if the project meets one of the following:
 - Existing housing that will be ready for occupancy within 60 days of the award announcement.
 - Newly constructed or rehabilitated units that will execute an Agreement to Enter Into Housing Assistance Payments (AHAP) and start construction within 24 months of the award announcement.
 - For newly constructed or rehabilitated units, the Applicant must provide a project timeline including these major milestones: (1) execution of Agreement to Enter into a Housing Assistance Payments contract (AHAP); (2) construction start date; and (3) execution of PBV HAP contract.

Failure to address the Project Readiness scored factor, including major milestones, where applicable, will result in the Application being removed from the competition.

IV. Enhanced Use Lease

Describe if the project is participating under an enhanced use lease agreement with the VA.

V. Support Services

Including:

- A. A description of any specific supportive services available from the VA and other local social service providers to support the residents of the project. The description must include the type of service, the name of the provider, the length of time the services will be available to each resident, and how the services will be monitored.
- B. Project statement regarding accessibility to:
 - Transit, including a statement of options for the immediate area, such as rail, bus, ride share, etc;
 - VAMC or CBOC (please provide travel time from the proposed project to the nearest VAMC or CBOC location);
 - Employment opportunities; and
 - Neighborhood amenities such as grocery stores, banks, libraries, parks, etc.
- C. Please describe other factors that address meeting the unique needs of a rural community (e.g. computer technology available onsite, resident service coordination, etc.).

VI. Housing First

Including:

- A. A description of your experience with developing and managing supportive housing for veterans, homeless, elderly, and/or disabled families including number of projects, location, and the level of services provided or coordinated that meet the requirements of *Housing First*.
- B. Please describe your existing relationships with community service providers.
- C. Please provide a certification that the project will comply with requirements of the *Housing First* model.

Failure to address the *Housing First* scored factor is considered a non-curable deficiency and will result in the Application being removed from the competition.

VI. Financial Feasibility

Including:

- A. Documentation of existing housing ready for occupancy within 60 days of award selection date for PBVs under this notice.
- B. Completed CDA Form 202 which reflects all aspects of the project, including estimated development and operating budgets and pro forma.

VII. Letter of Support

Application must include a signed letter of support from the VAMC, CBOC, or Veterans Integrated Service Network's (VISN) Director and the VA Network Homeless Coordinator. The letter from VA must confirm the need for the number of vouchers requested in the Application.

Appendices

- A. DHCD Admin Plan, Chapter 21 PBVs
- B. 2020 Multifamily Rental Financing Program Guide
- C. CDA Form 202